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ADVISORY COUNCIL ON HISTORIC PRESERVATION

Notice of adoption of Policy Statement on Historic  
Preservation and Community Revitalization

AGENCY: Advisory Council on Historic Preservation

ACTION: Adoption of Policy Statement on Historic  
Preservation and Community Revitalization

SUMMARY: The Advisory Council on Historic Preservation  
(ACHP) adopted a Policy Statement on Historic Preservation  
and Community Revitalization.

DATE: The final policy was adopted, and went into effect,  
on October 26, 2016.

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SUPPLEMENTARY INFORMATION: The Advisory Council on Historic  
Preservation (ACHP) is an independent agency, created by

the National Historic Preservation Act (54 U.S.C. § 300101 et seq), that promotes the preservation, enhancement, and productive use of our Nation's historic resources, and advises the President and Congress on national preservation policy.

Section 106 of the National Historic Preservation Act (Section 106), 54 U.S.C. § 306108), requires Federal agencies to consider the effects of projects that require federal approval, that receive federal financial assistance, or that are carried out by federal agencies, on historic properties and provide the ACHP a reasonable opportunity to comment with regard to such projects. ACHP has issued the regulations that set forth the process through which Federal agencies comply with these duties. Those regulations are codified under 36 CFR part 800.

## **I. Background**

In March 2014, the ACHP issued the report entitled Managing Change: Preservation and Rightsizing in America, which can be accessed at <http://www.achp.gov//RightsizingReport.pdf>. This report focused on communities that were addressing rightsizing. The concept of rightsizing applies to communities undergoing substantial change due to economic decline population loss, increased amounts of vacancy and

abandonment, decline in local services, increased homelessness and poverty, declining educational opportunities, and systemic blight. Rightsizing has been occurring in communities around the Nation for several decades as they respond to transformative events. The report contained the findings and recommendations of extensive research, on-site visits, and ACHP participation in panels and seminars during which diverse stakeholders shared their views regarding the effect on rightsizing in the community.

As the ACHP explored options to implement the recommendations in the report, it was concluded in 2015 that the development of a policy statement would be appropriate to advance historic preservation principles. Therefore, the purpose of developing the Policy Statement on Historic Preservation and Community Revitalization is to ensure that preservation is considered as a tool that will assist federal, state, and local governments plan and implement revitalization projects and programs in a manner that will consider the reuse and rehabilitation of historic properties.

In 2014, the Chairman of the ACHP convened a Working Group to assist in developing a draft policy statement. Representatives of the Working Group included the U.S.

Department of Housing and Urban Development (HUD), U.S. Department of Agriculture, U.S. Department of Health and Human Services, the National Park Service, the National Trust for Historic Preservation, the American Assembly, the Cleveland Restoration Society, Preservation Research Office, Historic Districts Council, Preservation Rightsizing Network, the Michigan State Historic Preservation Officer, and ACHP expert member Bradford White, Chair of the Working Group.

Following the development of the draft, the ACHP posted the proposed draft in the Federal Register on March 3, 2016, and comments from the public were accepted through April 4, 2016. Information regarding the March 3, 2016, Federal Register notice, was posted on the ACHP web site. It was widely distributed by members of the Working Group to their respective constituencies through broadcast e-mails and electronic LISTSERVs including communities receiving Community Block Grant funds from HUD, the National Trust for Historic Preservation's Forum, the Preservation Rightsizing Network members, and the National Conference of State Historic Preservation Officers (NCSHPO). In addition, a broadcast e-mail was sent to Tribal Historic Preservation Officers for their review. To ensure that all local communities received the draft, it

was sent to organizations actively involved in Legacy Cities and rightsizing activities.

Only thirteen (13) comments were submitted by the public on the draft policy statement. The majority of these commenters supported the draft and were eager for the ACHP to adopt the policy statement so that it could be implemented to advance local historic preservation. Four commenters, however, expressed concerns regarding a number of substantive issues and were basically critical about the ACHP's development of the draft policy. Major issues expressed by the four commenters included recommendations that the document should be revised to improve grammar and tone and references to the Section 106 process. They also took exception to the ACHP's use of flexible and programmatic solutions given their opinion that the ACHP had approved many contradictory systems over the years.

Other noteworthy comments made by the objectors to the draft policy statement included the following: 1) the sequencing of the principles needed to be changed; 2) best practices and case studies needed to be incorporated in the draft to illustrate the principles; 3) failure to encourage flexibility when applying the Secretary of Interior's Standards for Rehabilitation (Secretary Standards); 4) more communities needed to be encouraged to become Certified

Local Governments (CLGs); 5) allow CLGs to determine the National Register eligibility of properties; 6) educate stakeholders about how to apply the principles in the policy statement; 7) revise the ACHP's regulations as they include a dated framework for problem-solving; 8) acknowledge the benefits of state and local tax credits to communities; 9) public-private partnerships should be creative and incentivize the revitalization of neighborhoods; 10) allow residents to identify the resources they care about; 11) the policy is overly concerned with buildings and properties instead of concepts of place and landscapes; 12) acknowledge the immense scale of challenges for vacant and distressed buildings nationwide; 13) present the principles in the format of a Section 106 document; 14) public subsidy of historic preservation projects must avoid reinvestment in unsustainable areas; 15) all mitigation should be creative; and 16) change the title to "Community Revitalization and Historic Preservation."

ACHP staff developed a Comment Matrix of the 104 substantive comments submitted by the 13 commenters. In addition to summarizing the comments and clarifying the ACHP's response, the draft Policy Statement was extensively revised to incorporate all pertinent recommendations. The

title of the Policy Statement was retained as it ensured that the document would be used as a historic preservation tool. Further, the number of principles were increased from ten (10) to 13 and the sequencing was modified to ensure that the principles addressed the comments received from the public. The Working Group was advised that the policy statement should be inclusive and applicable to all communities. As such, it does not have the urban focus that was recommended. Principle III of the draft became Principle IV in the final policy. It recognizes the importance of technology and community input in the preparation of local inventories and surveys. Principle IX was revised to acknowledge that tax credits benefit small as well as large projects, and that beyond financial benefits in the form of equity, social and other economic benefits may also be accrued.

While Section 106 applies to most projects that meet the definition of undertaking as outlined in 36 CFR § 800.16(y), "when the agency determines that the undertaking is a type of activity that does not have the potential to cause effects on historic properties, assuming such historic properties were present, the official has no further obligations under section 106." 36 CFR § 800.3(a)(1). Therefore, the commenter that suggested that the use

of all federal dollars should require compliance with Section 106 did not consider this provision or the fact that a Section 106 program alternative may also exclude certain federal activities. Likewise, the recommendation that federal funds must be allocated to support the development of comprehensive planning and revitalization strategies is incorrect. While the ACHP agrees with this recommendation in theory, a federal agency like HUD or the Rural Development under the Department of Agriculture would have to adopt this concept into their grant programs.

The inclusion of references to Indian tribes in the policy statement was specifically requested by ACHP members. If they were excluded, the perspectives and concerns of Indian tribes would be minimized. Since Indian tribes are participants in the Section 106 consultations and provide expertise on the importance and significance of historic properties on tribal lands as well as historic properties located off-tribal lands which have religious and cultural significance to them, it is important that they be involved in the development of community revitalization strategies for communities located throughout the Nation.

Comments submitted asserting that the National Register criteria are viewed as an impediment, and restrict



effective citizen engagement were not specifically addressed in the final policy statement. These comments and the related suggestions argue that Section 106 of the NHPA is a dated framework. This is beyond the scope of the development of this policy statement. However, it should be noted that Principle V is revised to allow communities to recognize the value of places that are important to local residents. In addition, Principle VII emphasizes the need for diverse citizen engagement, which encourages that all residents should participate in the identification of historic properties.

The Working Group determined that it was important to publish a current policy statement that reaffirmed the importance of historic preservation to the revitalization of all communities that must adapt to changing physical, social, and economic conditions. Federal urban policies disseminated since 2008 have not always consistently endorsed the importance of historic preservation in assistance programs. This policy statement will continue to promote the importance of federal leadership in historic preservation. Further, the policy statement will be continually updated to illustrate for stakeholders the application of the principles, and to educate citizens about the benefits of historic preservation as part of the

revitalization of their communities. In collaboration with federal agencies and preservation organizations, the policy statement will be distributed to local, area, field, and regional staff so that the principles assist staff in planning and reviewing projects and developing new programs to help reverse the loss of historic properties as cities implement public-private programs throughout the community.

The policy statement, which represents the conclusion of the research and public outreach efforts of the Working Group, ACHP staff, and deliberation of its members, was adopted by the ACHP by an unassembled meeting vote on October 26, 2016. The final text of the policy statement is provided in Section II of this notice.

## **II. Text of the Policy**

This is the final text of the policy, as adopted by the ACHP on October 26, 2016:

### **ADVISORY COUNCIL ON HISTORIC PRESERVATION (ACHP) POLICY STATEMENT ON HISTORIC PRESERVATION AND COMMUNITY REVITALIZATION**

#### **Introduction**

The 2010 U.S. Census revealed that, as a result of the significant decline in the economy beginning in 2008, an estimated 19 million properties were abandoned throughout the nation. As a result of the economic downturn, many buildings, in particular older and often historic properties, became vacant and abandoned. This has led to blighted conditions in many communities around the nation. Economists have compared the impacts of the economic downturn in 2008 to that of the Great Depression in the 1930s. Natural disasters, economic downturns, and the mortgage foreclosure crisis all occurred at the beginning of the 21st century, collectively eroding urban, rural, and tribal communities.

While these events resulted in significant economic impacts across the country, they accelerated declines in population, tax base, industry, jobs, and housing markets caused by structural changes to the economy. Impacts were most severe in the Midwest, Northeast, Mid-Atlantic, and the South. The estimated demolition of 200,000 properties exemplifies the extreme actions taken by many communities, resulting in the loss of residences, commercial buildings, and even entire neighborhoods. Many of the properties that were lost included historic buildings that were listed in or eligible for listing on the National Register of

Historic Places. The focus of media attention on these issues centered on "legacy cities," the term used to describe older, industrial communities. But research has revealed that suburban, rural, and tribal communities also have dealt with similar problems.

Communities identified as industrial centers were hit particularly hard and continue to struggle. These communities experienced shrinking population, declining property values, and high rates of residential vacancies and abandonments and required a holistic approach to bring about their revitalization.

In 1966, Congress passed the National Historic Preservation Act (NHPA) and declared that "the historical and cultural foundations of the nation should be preserved in order to give a sense of orientation to the American people." It further stated that "in the face of ever increasing extensions of urban centers, highways, and residential, commercial, and industrial developments, the present governmental and nongovernmental historic preservation programs are inadequate to ensure future generations a genuine opportunity to appreciate and enjoy the nation's rich heritage."

The congressional findings in the NHPA remain applicable today, particularly since the economic crisis of

2008. The Advisory Council on Historic Preservation (ACHP), established by the NHPA to advise the President and Congress on matters relating to historic preservation, considers local community revitalization critical to stabilizing these economically depressed communities. In overseeing federal project reviews required by Section 106 of the NHPA, the ACHP has seen that historic preservation reviews are often not completed before federal funds are allocated. Further, the funds are often ineffectively or inappropriately used to manage redevelopment in struggling communities. Preservation options are not considered, and opportunities to reuse existing assets are missed because of the severity of the issues confronted by communities.

The ACHP sees a need to raise awareness of the potential community revitalization benefits from programs authorized by the NHPA and to provide an alternative framework for communities that have needs beyond the traditional historic preservation practices. To confront the challenge, community revitalization plans must be developed that address the disposition of vacant and abandoned properties, promote rehabilitation, create affordable housing, direct growth to target areas that have the infrastructure, and utilize new infill construction to stabilize neighborhoods or develop mixed use projects. Such

plans can benefit from using the Secretary of the Interior's Standards for the Treatment of Historic Properties (1995) (Secretary's Standards), as appropriate, as the framework for revitalizing housing, infrastructure, and commercial facilities. Further, involving historic preservation professionals who meet the Secretary's Standards as employees or contractors of local, regional, and state agencies can aid in developing and implementing effective community revitalization plans that build on historic assets.

In March 2014, the ACHP issued a report entitled *Managing Change: Preservation and Rightsizing in America*, which focused on communities addressing "rightsizing." Rightsizing applies when communities have shrinking populations, rising vacancy and abandonment, and systemic blight issues. The report clarified the role of historic preservation in rightsizing as well as noting relevant existing federal programs and policies. Reviewing extensive research, newspaper and journal articles, and organizational and institutional reports on rightsizing revealed that consideration of historic preservation issues in rightsizing decisions was often the exception. The ACHP report noted that rightsizing should include revitalization of historic fabric. Likewise, it noted that rightsizing is

not uniquely an urban phenomenon. Rather, it encompasses a variety of communities, including older suburbs and rural and tribal communities. All are in need of technical assistance, education, and outreach to help residents, developers, and local officials approach revitalization using historic preservation tools that can be adapted to the 21st century.

### **Purpose**

In accordance with Section 202 of the NHPA, the ACHP is issuing this Policy Statement to provide federal agencies; the individuals, organizations, and governments that apply for federal assistance; and their public and private partners with a flexible and creative approach to developing local community revitalization plans that involve historic properties. Likewise, the Policy Statement is intended to equip residents and community organizations with information on available tools and assist them in creating realistic strategies to integrate into revitalization plans the conservation and rejuvenation of the places and properties that define their neighborhoods.

A major goal of the Policy Statement is assisting federal agencies and their grantees and applicants, State Historic Preservation Officers (SHPOs), Tribal Historic Preservation Officers (THPOs), Certified Local Governments

(CLGs), and state and local governments in complying with the requirements of Section 106 of the NHPA. Section 106 requires federal agencies to take into account the effects of their undertakings on historic properties and afford the ACHP a reasonable opportunity to comment. With a predictable and consistent policy framework, or an alternative framework developed to address the unique circumstances faced by a community, federal agencies and applicants will be encouraged to integrate historic preservation principles in holistic community revitalization strategies. The policy acknowledges that consideration of alternatives to avoid or minimize harm to historic properties is essential when planning community revitalization projects. Further, by engaging varied stakeholders in the early stages of project planning, community revitalization projects can achieve multiple community goals.

This Policy Statement builds on an earlier ACHP Policy Statement on Affordable Housing issued in 2006 ([www.achp.gov/polstatements.html](http://www.achp.gov/polstatements.html)), continuing the ACHP's efforts to promote historic preservation in community revitalization and encourage the use of it as a tool to stabilize and enhance communities that have suffered from massive structural changes to their economy. It also



recognizes that other communities, under less severe economic distress, could benefit from implementing the strategies described in the principles below.

An underlying premise of the Policy Statement is the essential need for and value of local inventories and surveys, particularly in older neighborhoods that may be listed in or eligible for listing in the National Register of Historic Places (National Register) as historic districts. Only when local officials and the public are aware of the historic properties in their communities can they make informed decisions about treatment and reuse of these assets. Likewise, the National Register status also determines whether proposals must be afforded consideration in federal project planning under Section 106, or whether historic properties can qualify as "certified historic structures" eligible to receive the 20 percent Federal Historic Preservation Tax Credit (FHPTC) for the rehabilitation of historic, income-producing buildings. Other tax incentives are often coupled with this credit to revitalize historic neighborhoods, such as the Federal Low-Income Housing Tax Credit and state and local historic preservation tax incentives. Recent studies have documented that these tax incentive programs contribute to economic development and job production, making them a primary tool

for revitalizing neighborhoods that were once considered blighted.

The principles outlined below offer useful guidance that can assist communities in their efforts to incorporate historic preservation into planning revitalization efforts. Collaboration among federal, state, and local officials, SHPOs, THPOs, developers, residents, and other stakeholders is essential to successfully implement these principles. To foster such collaboration, this Policy Statement provides a framework that departs from traditional preservation doctrine in order to promote the effective contribution of historic assets to achieving community revitalization goals.

### **Implementation Principles**

These principles are interpreted below to provide context for stakeholders who may consider applying them to their communities.

I. Historic preservation principles should guide the preservation and reuse of older community assets.

II. Historic preservation should be incorporated in local planning efforts that focus on sustainability and smart growth.

III. Historic preservation should be incorporated into plans prepared by local governments that receive financial and technical assistance to build resilient communities.

IV. Historic property inventories and surveys prepared by digital mapping and other traditional methods are tools that can assist communities seeking federal, state, and local resources for planning and revitalization projects.

V. The flexibility inherent in the National Register criteria should be recognized by state and local governments when considering the significance of resources within distressed communities.

VI. Early consideration of alternatives to avoid or minimize adverse effects of projects involving historic properties is essential to ensure the proper integration of historic properties in community revitalization plans.

VII. Effective citizen engagement that reflects the diversity of the community can assist in identifying historic properties and cultural resources that should be recommended for preservation.

VIII. Indian tribes may have an interest in urban and rural community revitalization projects and the effects they may have on historic properties to which they attach religious and cultural significance.

IX. Tax credits and tax incentives can be used to promote historic preservation projects that preserve local assets.

X. Flexibility in the treatment of some historic buildings in Section 106 reviews can help achieve broader neighborhood preservation goals.

XI. Private resources can contribute to local revitalization efforts and also leverage public funds.

XII. Flexible and programmatic solutions developed as part of Section 106 reviews can expedite historic preservation reviews as well as more effectively address the chronic demolition of historic properties.

XIII. Creative mitigation that balances historic preservation values and program goals should be explored by stakeholders and incorporated into Section 106 outcomes.

I. Historic preservation principles should guide the preservation and reuse of older community assets.

Responding to the widespread destruction of historic resources during the urban renewal programs of the 1950s and 1960s, the NHPA was established to ensure local community revitalization and economic development projects were responsive to historic preservation principles.

Unfortunately, 50 years later, the provisions of the NHPA requiring consideration of historic properties in project

planning are not applied consistently by federal, state, and local governments. This is particularly the case when federal funds are allocated to local communities to address substantial amounts of vacant and abandoned buildings. Historic properties should be considered and evaluated as community assets because of their ability to endure cyclical changes and continue to provide shelter and economic development to residents of all incomes. Their treatment should be informed by an analysis of alternatives, including stabilization, rehabilitation, new infill construction, and, in certain cases, demolition. When integrated into project planning as prescribed by Section 106 of the NHPA, historic preservation tools can be beneficial to achieving local revitalization goals. Rather than being viewed as part of the problem, historic properties can be adapted and reused as a viable alternative. They should be given due consideration by federal, state, and local officials when developing comprehensive and small area plans and neighborhood vision frameworks. Although historic preservation is often ignored by stakeholders who express a desire for new construction, decades of successful historic preservation projects affirm that renewed historic assets can meet community

expectations for modern uses while maintaining the character that traditionally defined the area.

II. Historic preservation should be incorporated in local planning efforts that focus on sustainability and smart growth.

The core principles in sustainability and smart growth have been embraced by urban and rural communities nationwide during the past decades. Smart growth is a cohesive group of planning principles that are focused on creating sustainable development patterns. Sustainable communities are focused on conserving and improving existing resources, including making historic assets such as buildings, neighborhoods, and communities greener, stronger, and more livable. Both smart growth and sustainability can foster historic preservation, emphasizing the value in preserving and reusing historic properties that illustrate the character of communities rather than filling up landfills with building materials. Successful historic preservation techniques often bring together both historic properties and compatible new construction to create a dynamic and attractive environment. Preserving historic properties not only retains streetscapes and original settings but also can create a focal point for a community to embrace its

history, culture, and sense of place. This can be a major contribution to achieving community revitalization goals to stabilize distressed communities and to promote long-term viability.

III. Historic preservation should be incorporated into plans prepared by local governments that receive financial and technical assistance to build resilient communities.

In the aftermath of natural disasters, climate change events, and unanticipated emergencies, disaster recovery projects are often designed to revitalize and rebuild resilient communities. Communities also adopt practices before disasters strike to make them more resilient. Resilient communities are better able to recover from disasters and disruptions in a sustainable way and maintain their vitality and viability. Achieving community resiliency goals consistent with local historic preservation priorities requires aligning federal funding with local rebuilding visions, cutting red tape for obtaining assistance, developing region-wide plans for rebuilding, and ensuring that communities are rebuilt to better withstand future threats. Maintaining, rehabilitating, and reusing existing historic buildings can contribute to stabilizing and revitalizing neighborhoods. Community recovery and revitalization plans should be

specific in their use and treatment of historic properties and coordinated with plans for new construction and infrastructure. Recognizing that historic preservation strategies are compatible with resilient community goals will enable planners to create housing choices, foster a sense of place, generate jobs, maintain walkable neighborhoods, and preserve open spaces. All these factors are critical to promoting resilient communities that include integration of historic properties.

IV. Historic property inventories and surveys prepared by digital mapping and other traditional methods are tools that can assist communities seeking federal, state, and local resources for planning and revitalization projects.

Historic property inventories and surveys developed by qualified professionals documenting historic properties within a local community are frequently incomplete and dated or too often completely lacking. The absence of this basic information can result in the inadvertent loss of historic properties as well as delays in project planning and implementation. Without the historical context explaining the evolution of neighborhoods and the significance of existing building stock, decision making is uninformed. In contrast, communities that have current, up to date historic property inventories and surveys which



provide historic context; identify architecture, archaeological sites, and cultural resources; and define historic districts are able to assist local officials and developers in preparing effective revitalization strategies. When local governments use this tool in advance of applying for grants and loans, they can identify areas that should be given special attention in project planning and gather input from residents on what is important to them about their neighborhoods. Also, inventory and survey information allows local officials the flexibility of de-listing National Register properties when the integrity is lost due to neglect and extensive amounts of abandonment of historic properties.

V. The flexibility inherent in the National Register criteria should be recognized by state and local governments when considering the significance of resources within distressed communities.

The National Register is broad enough to recognize and include under-represented communities and find creative approaches to recognize the history and culture of areas and resources preserved against tremendous odds. It should be recognized that as communities have aged and assets have been neglected, particularly in distressed communities, physical integrity may suffer. However, such resources may

still possess cultural and social significance that may qualify them nonetheless for their associative value to the community and as embodiment of broad patterns of history. Where local communities have prepared lists of local landmarks unique to the city, those resources may very well meet the National Register criteria for eligibility on the local level. Section 106 reviews can factor in this information when considering alternatives and mitigation. Federal and state agencies that prepare National Environmental Policy Act documents should already be including local heritage and culture under chapters on Social and Economic Conditions and Cultural Resources.

VI. Early consideration of alternatives to avoid or minimize adverse effects of projects involving historic properties is essential to ensure the proper integration of historic properties in community revitalization plans.

Effective utilization of historic properties to support community revitalization goals requires that preservation be an integral part of local planning from the outset. Strategic efforts to stabilize local neighborhoods in communities experiencing unprecedented amounts of vacancies and abandonment and substantial population loss should consider alternatives that can have a positive impact. Comprehensive neighborhood plans, small area plans,

and more targeted vision frameworks should disclose the criteria and processes local officials use to determine specific treatment for buildings and sites. SHPOs can also provide technical assistance when resources are available. Likewise, communities with CLGs that work closely with SHPOs can participate in local administrative reviews and provide advice regarding how historic properties may be affected by community revitalization plans. SHPOs and CLGs can work with the local community development agencies and land banks to determine how they can facilitate building preservation, rehabilitation, and revitalization, as well as plans proposed for substantial demolitions in target areas or on a community-wide basis. Essential to effective early planning is the engagement of the local community that is affected by the proposed action.

VII. Effective citizen engagement that reflects the diversity of the community can assist in identifying historic properties and cultural resources that should be recommended for preservation.

The consultation process carried out under Section 106 is designed to elicit effective and informed citizen engagement. Public participation will help to identify places and historic properties important to the community early in the consultation process and foster creative

solutions that accommodate the community's heritage with revitalization. Special attention should be given to including diverse residents in communities that have been overlooked in prior identification efforts. Places associated with under-represented communities are not broadly listed on the National Register, so it is important that local officials make citizen engagement a priority when evaluating properties for National Register eligibility in the Section 106 process or developing surveys and inventories. SHPOs can often assist local officials in providing historic context statements for such properties and existing information on community resources. Involving local academic institutions, civic organizations, professional associations, neighborhood associations, and tribal representatives in the work of local preservation commissions and architectural review boards can help ensure that the views of all segments of the community inform the identification and evaluation of historic properties. Citizen engagement also is critical in the analysis of project alternatives to deal with adverse effects of revitalization projects on historic properties. Many of the outcomes from Section 106 reviews are shaped by recommendations from citizens who participate as consulting parties in the process. Federal and local officials provide

guidance and technical assistance to facilitate citizen engagement in completing inventories and surveys, developing local project plans, and participating in the required project review processes.

VIII. Indian tribes may have an interest in urban and rural community revitalization projects and the effects they may have on historic properties to which they attach religious and cultural significance.

It is important to involve Indian tribes in Section 106 reviews, particularly in the identification and evaluation of historic properties and assessment of effects. Since THPOs and Indian tribes are required to be invited to participate in Section 106 as consulting parties, federal and local officials should become familiar with those Indian tribes that have ancestral and historic associations with their communities. It is important that planners look beyond archaeologists in assessing the significance of sites, as these resources often have traditional cultural or religious value to Native Americans. Indian tribes can also contribute to local sustainability efforts based on their ecological and environmental knowledge of geographic areas to which they have traditional ties. Involving THPOS and Indian tribes early in Section 106 consultations allows them to advise

the federal agency of protocols that should be followed in the event of unanticipated discoveries of sites. Finally, Indian tribes can provide relevant input to the agency officials in developing mitigation measures when sites cannot be avoided.

IX. Tax credits and tax incentives can be used to promote historic preservation projects that preserve local assets.

Recent research conducted on the impacts of using Federal Historic Preservation Tax Credits (FHPTC) have revealed that investments in historic rehabilitation have greater positive impact on employment, state and local taxes, and the financial strength of the state than new construction. The use of FHPTCs, Low Income Housing Tax Credits, state historic tax credits, and local historic tax credits can often be combined to provide neighborhoods with financial, social, and economic benefits. Local governments should consider how these incentives can be used to fund not only major projects but also small and mid-size neighborhood projects that involve local historic properties. SHPOs are uniquely situated to leverage FHPTC projects, having worked closely with the National Park Service and developers on previous projects. Further, local officials can collaborate with federal regional and field offices, land banks, SHPOs, and local real estate agents to

identify vacant and abandoned buildings that are candidates for rehabilitation. By focusing on stabilizing anchor buildings in a neighborhood, local governments can protect these sites and make them available to developers who intend to revitalize target areas with major projects such as those for affordable housing and transit-oriented development.

X. Flexibility in the treatment of some historic buildings in Section 106 reviews can help achieve broader neighborhood preservation goals.

Sometimes historic neighborhoods confront significant abandonment and serious deterioration of building stock, such that rehabilitation and reuse becomes an overwhelming challenge. Participants in Section 106 consultations should be receptive to considering different treatment measures, including new infill construction meeting the Secretary's Standards, substitute materials, and strategic demolition, when there is concurrence that such an approach is the best approach to achieving broader community revitalization and preservation goals. It is strongly encouraged that federal agencies and applicants utilize historic preservation professionals to help determine when and how it may be appropriate to apply flexibility in the treatment of individual buildings.

XI. Private resources can contribute to local revitalization efforts and also leverage public funds.

Private resources are instrumental in ensuring most community revitalization efforts are successful and transformative. Examples of federal grant and loan programs used in conjunction with private resources for local revitalization efforts include the Department of Transportation's TIGER Program and the Environmental Protection Agency's Brownfield Grants. These programs require local communities to provide matching funds, which are often solicited from the private sector. Local institutions such as universities, hospitals, foundations, banks, land banks, and local businesses are frequently the source for matching funds. In addition, they often partner with developers on multi-use projects that benefit the community as a whole. Banking institutions are able to get credit under the federal Community Reinvestment Act (CRA) program when they contribute to local revitalization efforts. A bank's CRA performance record is taken into account when evaluating its overall performance. Therefore, project proponents and local officials should reach out to local banking institutions to discuss strategies regarding loans for commercial and residential community revitalization projects. When using private resources to



assist with revitalization projects, local officials should inform the funding entity of the importance of the local historic preservation principles to the community to ensure they are not inadvertently compromised.

XII. Flexible and programmatic solutions developed as part of Section 106 reviews can expedite historic preservation reviews as well as more effectively address the chronic demolition of historic properties.

Community revitalization projects with federal involvement require compliance with Section 106 and other federal environmental laws. Frequently, programmatic solutions that address the broad effects resulting from the implementation of multiple projects can expedite compliance with regulatory requirements, improving the efficiency of project delivery. Section 106 Programmatic Agreements, which are quite varied, are intended to manage multiple projects that result in similar types of effects, can respond to local conditions, foster community preservation goals, and expedite project reviews. Such agreements often clarify that plans and specifications developed for local community revitalization projects should adhere to the recommended approaches in the Secretary's Standards, when feasible, and qualify for simplified reviews. When communities cannot consistently adhere to the Secretary's

Standards, they should consider developing project plans that are based largely on the Secretary's Standards but provide greater flexibility. The public interest in preservation should guide planning, such as focusing reviews on exterior features and limiting reviews of interior spaces to those areas open to the public. Planning for larger scale revitalization projects should occur in advance of submitting applications for federal monies, and allow local officials to target any grants received into grants and loans to areas that can be stabilized. Given the often changing financial market and the passage of time in many communities where revitalization activities are limited, securing and stabilizing buildings may be a useful interim measure. It can avoid the loss of substantial numbers of historic properties in areas that may ultimately rebound.

XIII. Creative mitigation that balances historic preservation values and program goals should be explored by stakeholders and incorporated into Section 106 outcomes.

"Creative mitigation" is a concept that allows federal agencies, in consultation with stakeholders, to use non-traditional approaches to compensate for adverse effects that cannot be avoided or offset by using standard mitigation techniques. In Section 106 reviews, standard

mitigation measures are customarily directed at the affected historic property and may include recordation, data recovery, or curation. Sometimes the public benefit of using these standard measures is minimal, and allocation of funds for other preservation activities would be prudent. Federal agencies, SHPOs, CLGs, and other consulting parties are encouraged to be open to creative mitigation when consulting to resolve adverse effects on historic properties. Any mitigation for the loss of historic properties or materials should both provide public benefit and be commensurate with the extent of loss. The activities proposed in creative mitigation measures also should leverage the federal assistance in a manner that produces broader public benefits. Discussions about creative mitigation should be initiated early in the Section 106 review process when options can be objectively evaluated and before project plans and commitments become firm. Creative mitigation measures ultimately should advance community-wide preservation goals discussed during Section 106 reviews. Examples of creative mitigation that have been successful include the development of local historic preservation ordinances; acquisition and relocation of historic properties to alternate sites in a historic district; funding for landscaping and streetscape

improvements in a district; and guidance on managing vacant and abandoned properties in the community.

### **Conclusion**

Federal, state, and local officials; applicants; residents; and preservationists are encouraged to use the above principles when developing community revitalization plans and coordinating Section 106 reviews. Please visit the ACHP's website, [www.achp.gov](http://www.achp.gov), to view helpful case studies and best management practices and to learn about webinars that can further expand knowledge of these historic preservation tools and how they are being used throughout the nation.

Authority: 54 U.S.C. 304102

Dated: November 9, 2016

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John M. Fowler,

Executive Director

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